

Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2022 (Based on Japanese GAAP)

October 28, 2022

Company name: Aica Kogyo Company, Limited
 Stock exchange listing: Tokyo, Nagoya
 Stock code: 4206 URL <https://www.aica.co.jp>
 Representative: President Kenji Ebihara
 Inquiries: General Manager, Financial Management Department Yousuke Mori TEL 052-533-3135
 Scheduled date to file Quarterly Securities Report: November 7, 2022
 Scheduled date to commence dividend payments: December 2, 2022
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2022 (from April 1, 2022 to September 30, 2022)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2022	117,704	19.3	9,437	0.1	10,294	1.4	6,436	2.7
Six months ended September 30, 2021	98,650	26.6	9,425	56.0	10,156	56.6	6,267	63.1

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2022	100.62		100.59	
Six months ended September 30, 2021	95.98		95.95	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2022	258,138	161,347	57.3
As of March 31, 2022	240,388	162,734	60.4

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended March 31, 2022	–	50.00	–	58.00	108.00
Year ending March 31, 2023	–	50.00			
Year ending March 31, 2023 (Forecast)			–	59.00	109.00

3. Forecast of consolidated financial results for the year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	237,000	10.5	21,500	5.7	22,000	0.7	13,300	1.4	207.95

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2022
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of September 30, 2022	67,590,664 shares	As of March 31, 2022	67,590,664 shares
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Number of treasury shares at the end of the period

As of September 30, 2022	3,627,355 shares	As of March 31, 2022	2,292,410 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2022	63,960,806 shares	Six months ended September 30, 2021	65,295,855 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2022	As of September 30, 2022
Assets		
Current assets		
Cash and deposits	47,178	48,504
Notes receivable - trade	19,365	18,718
Accounts receivable - trade	50,107	51,510
Merchandise and finished goods	13,689	17,392
Work in process	1,397	2,056
Raw materials and supplies	13,463	15,838
Other	7,262	9,449
Allowance for doubtful accounts	(757)	(1,017)
Total current assets	151,706	162,452
Non-current assets		
Property, plant and equipment	57,090	64,131
Intangible assets		
Goodwill	4,799	5,167
Other	9,441	9,983
Total intangible assets	14,241	15,150
Investments and other assets		
Other	17,351	16,404
Allowance for doubtful accounts	(1)	(1)
Total investments and other assets	17,350	16,403
Total non-current assets	88,682	95,685
Total assets	240,388	258,138
Liabilities		
Current liabilities		
Notes and accounts payable - trade	31,451	33,192
Electronically recorded obligations - operating	5,284	5,925
Short-term borrowings	14,462	10,263
Income taxes payable	3,306	2,946
Provision for bonuses	2,035	1,864
buy-sell transaction liabilities	2,056	2,176
Other	7,729	8,707
Total current liabilities	66,327	65,076
Non-current liabilities		
Convertible-bond-type bonds with share acquisition rights	–	18,081
Long-term borrowings	2,173	3,392
Retirement benefit liability	1,585	1,730
Other	7,567	8,509
Total non-current liabilities	11,326	31,713
Total liabilities	77,654	96,790

(Millions of yen)

	As of March 31, 2022	As of September 30, 2022
Net assets		
Shareholders' equity		
Share capital	9,891	9,891
Capital surplus	13,294	8,587
Retained earnings	116,626	119,272
Treasury shares	(2,150)	(6,141)
Total shareholders' equity	137,663	131,610
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,979	3,584
Deferred gains or losses on hedges	11	(2)
Foreign currency translation adjustment	3,353	12,519
Remeasurements of defined benefit plans	214	179
Total accumulated other comprehensive income	7,558	16,280
Share acquisition rights	23	23
Non-controlling interests	17,489	13,432
Total net assets	162,734	161,347
Total liabilities and net assets	240,388	258,138

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Net sales	98,650	117,704
Cost of sales	72,968	90,493
Gross profit	25,682	27,211
Selling, general and administrative expenses	16,256	17,773
Operating profit	9,425	9,437
Non-operating income		
Interest income	93	90
Dividend income	175	214
Foreign exchange gains	10	362
Other	709	576
Total non-operating income	988	1,243
Non-operating expenses		
Interest expenses	100	127
Other	158	260
Total non-operating expenses	258	387
Ordinary income	10,156	10,294
Profit before income taxes	10,156	10,294
Income taxes - current	2,971	3,111
Income taxes - deferred	256	308
Total income taxes	3,228	3,420
Profit	6,928	6,873
Profit attributable to non-controlling interests	660	437
Profit attributable to owners of parent	6,267	6,436

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Profit	6,928	6,873
Other comprehensive income		
Valuation difference on available-for-sale securities	411	(395)
Deferred gains or losses on hedges	6	(14)
Foreign currency translation adjustment	3,130	11,169
Remeasurements of defined benefit plans, net of tax	306	(34)
Share of other comprehensive income of entities accounted for using equity method	1	(16)
Total other comprehensive income	3,854	10,709
Comprehensive income	10,782	17,582
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	9,507	15,158
Comprehensive income attributable to non-controlling interests	1,275	2,424

Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Cash flows from operating activities		
Profit before income taxes	10,156	10,294
Depreciation	3,072	3,305
Increase (decrease) in allowance for doubtful accounts	(41)	157
Increase (decrease) in provision for bonuses	(415)	(230)
Increase (decrease) in retirement benefit liability	(21)	(33)
Interest and dividend income	(268)	(304)
Interest expenses	100	127
Decrease (increase) in trade receivables	888	2,363
Decrease (increase) in inventories	(4,826)	(4,305)
Decrease (increase) in other current assets	(348)	(1,124)
Increase (decrease) in trade payables	3,299	254
Increase (decrease) in other current liabilities	(174)	(340)
Other, net	80	474
Subtotal	11,500	10,638
Interest and dividends received	268	303
Interest paid	(100)	(120)
Income taxes paid	(3,915)	(3,574)
Net cash provided by (used in) operating activities	7,753	7,247
Cash flows from investing activities		
Payments into time deposits	(765)	(514)
Proceeds from withdrawal of time deposits	161	50
Purchase of property, plant and equipment	(1,963)	(4,032)
Purchase of intangible assets	(406)	(547)
Purchase of investment securities	(607)	(6)
Proceeds from sale of investment securities	908	174
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(2,946)	(101)
Other, net	84	(42)
Net cash provided by (used in) investing activities	(5,534)	(5,020)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	95	(5,295)
Repayments of long-term borrowings	(325)	(225)
Proceeds from long-term borrowings	1,189	1,508
Convertible Bond	–	18,090
Dividends paid	(3,789)	(3,789)
Dividends paid to non-controlling interests	(158)	(432)
Repayments of lease liabilities	(109)	(162)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	–	(10,092)
Purchase of treasury shares	(1)	(4,001)
Other, net	0	(0)
Net cash provided by (used in) financing activities	(3,099)	(4,400)
Effect of exchange rate change on cash and cash equivalents	895	2,717
Net increase (decrease) in cash and cash equivalents	15	544
Cash and cash equivalents at beginning of period	41,185	44,997
Cash and cash equivalents at end of period	41,200	45,542